



Ryan, Swanson Cleveland, PLLC

James E. Hadley
Licensed in Washington and Arizona

direct dial 206-654-2258
direct fax 206-652-2958
hadley@ryanlaw.com

September 30, 2005

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INSURANCE COMMISSIONER
COMPANY SUPERVISION

James T. Odiorne, Esq.
Deputy Insurance Commissioner
Office of Insurance Commissioner of Washington
Company Supervision Division
P.O. Box 40259
Olympia, WA 98504-0259

Re: UnitedHealth Group Incorporated – September 29, 2005 Meeting

Dear Mr. Odiorne:

During our meeting on September 29, you asked for additional information with regard to UnitedHealth Group Incorporated (“UnitedHealth”) prior withdrawal from Washington and the applicability of the five-year waiting period.

Until late 2000, United HealthCare of Washington, Inc. and United HealthCare Insurance Company offered HCSC and health insurance coverage to employer groups based in the State of Washington. Beginning in early 2001, UnitedHealth discontinued such products and withdrew from the Washington market in accordance with the requirements of the federal Health Insurance Portability and Accountability Act (“HIPAA”) and applicable Washington law. This withdrawal involved the coordinated transition of coverage of Washington-based employers to Premiera Blue Cross as part of a broader Western Region strategy to refocus the UnitedHealthcare business unit’s efforts in the areas where it could have the greatest impact and provide optimum value to consumers, employers and care providers. Significantly, other UnitedHealth business units continued to provide services within the Washington market, including Uniprise (multi-site employers), Ovations (seniors), as well as United Behavioral Health, Optum and United Resource Networks. Further, the health care marketplace has changed substantially over the past five years, and UnitedHealth has recently expanded its presence through strategic acquisitions in geographic markets in which it can be competitive, improve access and offer unique product and service options to consumers, such as the Northeast United States (Oxford Health Plans) and the mid-Atlantic region (MAMSI).

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1201 Third Avenue, Suite 3400, Seattle, Washington 98101-3034
phone 206.464.4224 | 800.458.5973 | fax 206.583.0359
www.ryanlaw.com
NY2:157586701\XRY301\DOC\78429.0110

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The proposed transaction does not represent a re-entry by United HealthCare of Washington, Inc. and United HealthCare Insurance Company into the Washington market. Rather, PacifiCare of Washington, Inc. will continue to offer the products that it currently offers under new ultimate ownership. The change in ultimate ownership of PacifiCare of Washington is not prohibited by HIPAA or by the terms of the market withdrawal agreed to by UnitedHealthcare in 2001. The transaction will in fact be beneficial to the Washington market, as UnitedHealth seeks to build on the successes of PacifiCare's local focus, brand prominence and deep relationships in the Western United States with the new services, products and capabilities that UnitedHealth's nationwide network of physicians and providers, investments in technology advancements and greater financial stability can provide.

I trust the foregoing fully addresses your inquiry.

Very truly yours,

RYAN, SWANSON & CLEVELAND, PLLC

A handwritten signature in black ink, appearing to read 'James E. Hadley', is written over the printed name.

James E. Hadley

JEH:nlm

cc: Via Facsimile Only

Michael McDonnell

Nancy Monk

Bob Sullivan

Joseph Verdesca

Thomas Roberts

Jeffrey Gingold

Ryan, Swanson & Cleveland, PLLC

1201 Third Avenue, Suite 3400
Seattle, Washington 98101-3034



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James T. Odiome, Esq.
Deputy Insurance Commissioner
Office of Insurance Commissioner of
Washington
Company Supervision Division
P.O. Box 40259
Olympia, WA 98504-0259

98504+0259 8001

